

11-25-09

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----) Docket No. 2009-0108
)
PUBLIC UTILITIES COMMISSION)
)
)
Instituting a Proceeding to Investigate)
Proposed Amendments to the Framework for)
Integrated Resource Planning)
_____)

PUBLIC UTILITIES
COMMISSION

2009 NOV 25 P 1:03

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HAWAII RENEWABLE ENERGY ALLIANCE'S RESPONSE TO
TO
INFORMATION REQUESTS
FROM THE
HAWAIIAN ELECTRIC COMPANIES AND THE MARRIOTTS
AND
CERTIFICATE OF SERVICE

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In accordance with schedule for the instant docket as approved by the Commission in its Decision and Order, dated September 23, 2009, the Hawaii Renewable Energy Alliance ("HREA") respectfully submits its response to Information Requests ("IRs") from the "HECO Companies"¹ and the "Marriotts"².

¹ "HECO Companies" are the Hawaiian Electric Company, Hawaii Electric Light Inc., and Maui Electric Company Ltd.

² "Marriotts" are the JW Marriott Ihilani Resort and Spa, Waikoloa Marriott Beach Resort and Spa, Wailea Marriott, Marriott Hotel Services and Kauai Marriott Resort & Beach Club.

HECO Companies

HECO/HREA-IR-1

Ref: Governing Principles – Overall Plan

On page 12, HREA proposes that there be one plan for each island utility to address how each island can meet state energy goals, and an overall plan for the island chain. HREA also states that it supports "...the preparation of an island-wide plan for HECO and, if appropriate, including KIUC." Please clarify if the "island-wide plan for HECO" is different than the proposed overall plan for the island chain. In addition, please clarify who will be responsible for development of the proposed overall plan for the island chain, and if it is intended that the proposed overall plan takes precedence over the IRP for each island utility.

HREA Response

HREA thanks the HECO Companies for this excellent series of questions. First, we would like to clarify our intent with regards to our referenced proposal which is inserted below in its entirety from page 12 of our PSOP.

"One plan for each island utility, and an overall plan for the island chain. This is a re-statement and enhancement of a *classic* IRP governing principle. Specifically, HREA believes there should be an IRP for each island utility that addresses how each island can meet our state energy goals, i.e., each island stays an "island." We also support the preparation of an island-wide plan for HECO and, if appropriate, including KIUC. This IRP would take into consideration the proposed inter-island cable system, and other energy transfer options. To be clear, HREA believes this should be a separate plan, given what we believe is a high degree of uncertainty in developing, constructing, and operation such a system. That said, each island plans serve as a "back-up" to the cable system, whereas back-up plans do not appear to be under consideration at this time."

Specifically, by the "island-wide plan for HECO," we mean a plan that would include an evaluation and recommendation of one or more strategies for electrically interconnecting and/or transferring electrical energy (e.g., hydrogen generation and storage) among:

- (i) all of the islands in the HECO Companies service territory, and/or
- (ii) selected subsets, e.g., one or more of the neighbor islands to Oahu.

By "if appropriate, including KIUC," the "island chain" would include all of the islands in both the KIUC and the HECO Companies' service territories.

In both cases, HREA supports not only the evaluation of supply to Oahu from the neighbor islands, but the options for a truly integrated grid where power could flow to the neighbor islands, including Kauai, from Oahu.

In response to the specific questions as stated by the HECO Companies:

1. The "island-wide plan for HECO" would include the islands of Oahu, Maui, Molokai, Lanai and Hawaii. The "island chain" plan would include the islands of Kauai, Oahu, Maui, Molokai, Lanai and Hawaii.
2. HREA had envisioned that the "island chain" plan would be a collaborative effort between the HECO Companies and KIUC. However, there could be some additional options to consider. For example, the island chain plan could be prepared and implemented by:
 - a. The state Energy Office,
 - b. The Commission, or
 - c. A special commission established by the legislature.
3. HREA views the island-wide and island-chain options as just that – options. The island IRPs should take precedent, and the island-wide and island-chain options (plans), would provide decision-makers with data and information relevant to the overall goals of IRP, including the HCEI. To be clear, some Parties may believe that the island-wide plan for the HECO Companies is THE PLAN, and no back-up plans are needed. Others may believe the island-wide plan for the HECO Companies is the main plan, and individual island IRPs would be back-ups in the case the cable system does not prove to be feasible. In contrast, HREA views the individual island IRPs as THE PLANS, and the island-wide plan as an ALTERNATIVE PLAN, should the individual island utilities not be able to reach the HCEI, or any subsequent new state goals, as "islands."

Ref: NRRI Comments – III. Who Are the Appropriate Participants in a CESP Process

On page 10, NRRI envisions many participants in the CESP process and states “With this diversity of participants, a neutral facilitator seems necessary.” If the HECO Companies were to propose in the CESP Framework that the CESP process would have a neutral facilitator (similar to the role of an Independent Observer under the Framework for Competitive Bidding) leading all Advisory Committee meetings, public hearings, and observing the utilities’ technical analyses, would that be an acceptable means for addressing the concerns over public participation and transparency in the CESP process?

HREA Response

HREA would agree that a neutral facilitator might be helpful for the reasons stated above. HREA’s experience in previous Advisory Committee (Group) meetings has shown that the utility is capable of “running” meetings, including soliciting input and leading discussions, whether it is an Advisory Group and public informational meetings. With respect to facilitators, we noted on page 3 of our filing response to the NRRI Report:

“Mr. Boonin has done a good job in highlighting issues with respect to how scenarios might be developed, including a collaborative process with an experienced facilitator. We believe success could be easily defined as a collaborative approach, which results in agreement that works for all collaborators, or that all collaborators can live with. HECO’s IRP is meant to be collaborative and sometimes has involved professional facilitators, e.g., in the evaluation of externalities. The result in that case was that HECO did not to assign monetary values to externalities in IRP. That did not work for HREA and was a major disappointment for us.”

Thus, if the HECO Companies are planning to propose the use of a neutral facilitator, HREA recommends the HECO Companies propose that the Commission hire the neutral facilitator. Moreover, use of a neutral facilitator does not alleviate all of our concerns about public participation and transparency in the IRP process. We maintain our position, supporting increased Commission participation during the IRP process, as stated on page 11 of our PSOP:

“Ongoing, open, transparent, efficient and nimble. This is a re-statement of a *classic* IRP governing principle with some enhancements. Specifically, HREA envisions IRP as ongoing process, which would allow intervention and participation at any time in the process. To be more efficient, HREA supports more Commission involvement during the IRP process, including resolving process and technical issues that may arise during IRP discussions and deliberations. This would also help make the process nimble, for example, changes in could be made as IRPs, resolving participant input or utility direction, as the IRPs are being drafted. Currently, if participants have any unresolved issues they must intervene and seek resolution after the IRP has been submitted to the Commission.”

Mariotts

MAR-IR-001: Please provide a complete copy of all of your responses to all information requests filed by any party or participant in these proceedings. This request applies to information requests that have already been filed and to information requests that are filed in the future.

HREA Response

HREA's response is enclosed herein.

A handwritten signature in black ink, appearing to read "Mr. S. Ballin", is written over a solid horizontal line.

President, HREA

CERTIFICATE OF SERVICE

The foregoing HREA IR Response was served on the date of filing by Hand Delivery or email to each such Party as follows.

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DATED: Honolulu, Hawaii, November 10, 2009